

# THE DEPARTMENT OF STATE BULLETIN

VOL. XI, NO. 273

SEPTEMBER 17, 1944

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VOL. XI • No. 273



PUBLICATION 2179

September 17, 1944

*The Department of State BULLETIN, a weekly publication compiled and edited in the Division of Research and Publication, Office of Public Information, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes press releases on foreign policy issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest is included.*

*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

*The BULLETIN, published with the approval of the Director of the Bureau of the Budget, is for sale by the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C., to whom all purchase orders, with accompanying remittance, should be sent. The subscription price is \$2.75 a year; a single copy is 10 cents.*

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## Armistice Terms for Rumania

[Released to the press September 13]

Following are the terms of the Rumanian armistice agreement which has been signed in Moscow:<sup>1</sup>

### AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES OF AMERICA, THE SOVIET UNION, AND THE UNITED KINGDOM ON THE ONE HAND, AND THE GOVERNMENT OF RUMANIA ON THE OTHER CONCERNING AN ARMISTICE

The Government and High Command of Rumania, recognizing the fact of the defeat of Rumania in the war against the Union of Soviet Socialist Republics, the United States of America, and the United Kingdom, and the other United Nations, accept the armistice terms presented by the Governments of the above mentioned three Allied Powers, acting in the interests of all the United Nations.

On the basis of the foregoing the representative of the Allied (Soviet) High Command, Marshal of the Soviet Union, R. Y. Malinovski, duly authorized thereto by the Governments of the United States of America, the Soviet Union, and the United Kingdom, acting in the interests of all the United Nations, on the one hand, and the representatives of the Government and High Command of Rumania, Minister of State and Minister of Justice L. Patrascanu, Deputy Minister of Internal Affairs, Adjutant of His Majesty the King of Rumania, General D. Damaceanu, Prince Stirbey, and Mr. G. Popp, on the other hand, holding proper full powers, have signed the following conditions:

1. As from August 24, 1944, at four a.m., Rumania has entirely discontinued military operations against the Union of Soviet Socialist Republics on all theaters of war, has withdrawn from the war against the United Nations, has broken off relations with Germany and her satellites, has entered the war and will wage war on the side of the Allied Powers against Germany and Hungary for the purpose of restoring Rumanian independ-

ence and sovereignty, for which purpose she provides not less than twelve infantry divisions with corps troops.

Military operations on the part of Rumanian armed forces, including naval and air forces, against Germany and Hungary will be conducted under the general leadership of the Allied (Soviet) High Command.

2. The Government and High Command of Rumania undertake to take steps for the disarming and interning of the armed forces of Germany and Hungary on Rumanian territory and also for the interning of the citizens of both states mentioned who reside there. (See Annex to Article Two)

3. The Government and High Command of Rumania will ensure to the Soviet and other Allied forces facilities for free movement on Rumanian territory in any direction if required by the military situation, the Rumanian Government and High Command of Rumania giving such movement every possible assistance with their own means of communications and at their own expense on land, on water and in the air. (See Annex to Article Three)

4. The state frontier between the Union of Soviet Socialist Republics and Rumania, established by the Soviet-Rumanian Agreement of June 8, 1940, is restored.

5. The Government and High Command of Rumania will immediately hand over all Soviet and Allied prisoners of war in their hands, as well as interned citizens and citizens forcibly removed to Rumania, to the Allied (Soviet) High Command for the return of these persons to their own country.

From the moment of the signing of the present terms and until repatriation the Rumanian Government and High Command undertake to provide

<sup>1</sup> This text was telegraphed to the Department of State by the American Embassy in Moscow.



at their own expense all Soviet and Allied prisoners of war, as well as forcibly removed and interned citizens, and displaced persons and refugees, with adequate food, clothing and medical service, in accordance with hygienic requirements, as well as with means of transport for the return of all those persons to their own country.

6. The Rumanian Government will immediately set free, irrespective of citizenship and nationality, all persons held in confinement on account of their activities in favor of the United Nations or because of their sympathies with the cause of the United Nations, or because of their racial origin, and will repeal all discriminatory legislation and restrictions imposed thereunder.

7. The Rumanian Government and High Command undertake to hand over as trophies into the hands of the Allied (Soviet) High Command all war material of Germany and her satellites located on Rumanian territory, including vessels of the fleet of Germany and her satellites located in Rumanian waters.

8. The Rumanian Government and High Command undertake not to permit the export or expropriation of any form of property (including valuables and currency) belonging to Germany, Hungary or to their nationals or to persons resident in their territories or in territories occupied by them without the permission of the Allied (Soviet) High Command. They will keep this property in such manner as may be prescribed by the Allied (Soviet) High Command.

9. The Rumanian Government and High Command undertake to hand over to the Allied (Soviet) High Command all vessels belonging or having belonged to the United Nations which are located in Rumanian ports, no matter at whose disposal these vessels may be, for the use of the Allied (Soviet) High Command during the period of the war against Germany and Hungary in the general interests of the Allies, these vessels subsequently to be returned to their owners.

The Rumanian Government bear the full material responsibility for any damage or destruction of the aforementioned property until the moment of the transfer of this property to the Allied (Soviet) High Command.

10. The Rumanian Government must make regular payments in Rumanian currency required by the Allied (Soviet) High Command for the ful-

fillment of its functions and will in case of need ensure the use on Rumanian territory of industrial and transportation enterprises, means of communication, power stations, enterprises and installations of public utility, stores of fuel, fuel oil, food and other materials, and services in accordance with instructions issued by the Allied (Soviet) High Command.

Rumanian merchant vessels, whether in Rumanian or foreign waters, shall be subject to the operational control of the Allied (Soviet) High Command for use in the general interest of the Allies. (See Annex to Article Ten)

11. Losses caused to the Soviet Union by military operations and by the occupation by Rumania of Soviet territory will be made good by Rumania to the Soviet Union, but, taking into consideration that Rumania has not only withdrawn from the war, but has declared war and in fact is waging war against Germany and Hungary, the parties agree that compensation for the indicated losses will be made by Rumania not in full but only in part, namely to the amount of three hundred million United States dollars payable over six years in commodities (oil products, grain, timber products, seagoing and river craft, sundry machinery, et cetera).

Compensation will be paid by Rumania for losses caused to the property of other Allied states and their nationals in Rumania during the war, the amount of compensation to be fixed at a later date. (See Annex to Article Eleven)

12. The Rumanian Government undertakes within the periods indicated by the Allied (Soviet) High Command to return to the Soviet Union in complete good order all valuables and materials removed from its territory during the war, belonging to state, public and cooperative organizations, enterprises, institutions or individual citizens, such as: factory and works equipment, locomotives, railway trucks, tractors, motor vehicles, historic monuments, museum valuables and any other property.

13. The Rumanian Government undertakes to restore all legal rights and interests of the United Nations and their nationals on Rumanian territory as they existed before the war and to return their property in complete good order.

14. The Rumanian Government and High Command undertake to collaborate with the Allied



(Soviet) High Command in the apprehension and trial of persons accused of war crimes.

15. The Rumanian Government undertakes immediately to dissolve all pro-Hitler organizations (of a Fascist type) situated in Rumanian territory, whether political, military or para-military, as well as other organizations conducting propaganda hostile to the United Nations, in particular to the Soviet Union, and will not in future permit the existence of organizations of that nature.

16. The printing, importation and distribution in Rumania of periodical and non-periodical literature, the presentation of theatrical performances and films, the work of wireless stations, post, telegraph and telephone shall be carried out in agreement with the Allied (Soviet) High Command. (See Annex to Article Sixteen)

17. Rumanian Civil Administration is restored in the whole area of Rumania separated by not less than fifty-one hundred kilometers (depending upon conditions of terrain) from the front line, Rumanian administrative bodies undertaking to carry out, in the interests of the reestablishment of peace and security, instructions and orders of the Allied (Soviet) High Command issued by them for the purpose of securing the execution of these armistice terms.

18. An Allied Control Commission will be established which will undertake until the conclusion of peace the regulation of and control over the execution of the present terms under the general direction and orders of the Allied (Soviet) High Command, acting on behalf of the Allied Powers. (See Annex to Article 18.)

19. The Allied Governments regard the decision of the Vienna award regarding Transylvania as null and void and are agreed that Transylvania (or the greater part thereof) should be returned to Rumania, subject to confirmation at the peace settlement, and the Soviet Government agrees that Soviet forces shall take part for this purpose in joint military operations with Rumania against Germany and Hungary.

20. The present terms come into force at the moment of their signing.

Done in Moscow, in four copies, each in the Russian, English and Rumanian languages, the Russian and English texts being authentic. *September 12, 1944.*

By authority of the Governments of the United States of America, the Union of Soviet Socialist Republics and the United Kingdom.

By authority of the Government and High Command of Rumania.

*Annex to the Armistice Agreement between the Governments of the United States of America, the Soviet Union, and the United Kingdom on the one hand and the Government of Rumania on the other hand.*

*A. Annex to Article 2.*

The measures provided for in Article 2 of the agreement regarding the internment of citizens of Germany and Hungary now in Rumanian territory do not extend to citizens of those countries of Jewish origin.

*B. Annex to Article 3.*

Under cooperation of the Rumanian Government and High Command of Rumania, mentioned in Article 3 of the Agreement, is understood the placing at the disposal of the Allied (Soviet) High Command for use at its discretion during the armistice all Rumanian military, air and naval constructions and installations, ports, harbors, barracks, warehouses, airfields, means of communication, meteorological stations which might be required for military needs in complete good order and with the personnel required for their maintenance.

*C. Annex to Article 10.*

The Rumanian Government will withdraw and redeem within such time limits and on such terms as the Allied (Soviet) High Command may specify, all holdings in Rumanian territory of currencies issued by the Allied (Soviet) High Command, and will hand over currency so withdrawn free of cost to the Allied (Soviet) High Command.

*D. Annex to Article 11.*

The basis for settlements of payment of compensation provided for in Article 11 of the present Agreement will be the American dollar at its gold parity on the day of signing of the Agreement, i. e. thirty-five dollars for one ounce of gold.

*E. Annex to Article 16.*

The Rumanian Government undertakes that wireless communication, telegraphic and postal correspondence, correspondence in cypher and

courier correspondence, as well as telephonic communication with foreign countries of Embassies, Legations and Consulates situated in Rumania, will be conducted in the manner laid down by the Allied (Soviet) High Command.

*F. Annex to Article 18.*

Control over the exact execution of the armistice terms is entrusted to the Allied Control Commission to be established in conformity with Article 18 of the Armistice Agreement.

The Rumanian Government and their organs shall fulfill all instructions of the Allied Control Commission arising out of the Armistice Agreement.

The Allied Control Commission will set up special organs or sections entrusting them respectively with the execution of various functions. In addition, the Allied Control Commission may have its officers in various parts of Rumania.

The Allied Control Commission will have its seat in the City of Bucharest.

*Moscow: September 12, 1944.*

## International Peace and Security Organization

**Statement by THE UNDER SECRETARY OF STATE<sup>1</sup>**

[Released to the press by the State Department on the Washington Conversations September 14]

The conferees at Dumbarton Oaks have made excellent progress. Drafts of their suggestions are nearing completion. Work on the drafts will require a few more days. In the meantime, Sir Alexander Cadogan has gone to Quebec by plane on a brief visit. Several days ago the Prime Minister indicated that he would like to see Sir Alexander on important matters not in any way connected with the talks at Dumbarton Oaks. Because of the vital importance of the Dumbarton Oaks conversations, Sir Alexander postponed his visit to Quebec until we got farther along with the work here. He felt that the work has reached such a stage that he could leave for a few days. Sir Alexander left this morning and will be back in time for the finishing touches and the completion of the first phase of the conversations,

## Suggested Curb on Cartels

**LETTER FROM THE SECRETARY OF STATE TO THE PRESIDENT**

[Released to the press at Quebec September 13]

The Secretary of State sent the following reply to President Roosevelt's letter of September 6 in which was urged a curb on cartels through collaborative action by the United Nations:<sup>2</sup>

SEPTEMBER 11, 1944.

MY DEAR MR. PRESIDENT:

I have your letter of September 6 concerning the importance of taking whatever steps are necessary for the elimination of the political activities of German cartels, and the curbing of cartel practices which may restrict the free flow of goods in foreign commerce in the post-war world.

As you say, the elimination of the restrictive practices of cartels is an objective that consistently follows from the liberal principles of international trade which this Government, under your direction, has constantly sought to implement through the trade agreement program and other aspects of commercial policy. It is also an objective which consistently follows from this country's traditional and long-standing program designed to protect the consumer against monopoly and to preserve individual enterprise on a freely competitive basis.

For more than a year the Department, together with other interested agencies, has been giving careful attention to the issues which you mention, as well as other related subjects. An interdepartmental committee was established at my suggestion, and has been giving constant and current consideration to cartel matters and the methods by which the objectives set forth in your letter may best be achieved and most appropriately be coordinated with other facets of our foreign economic policy.

I shall continue to follow closely the progress of this work on the subject of international cartels, and I am bringing your letter and my reply to the attention of the Executive Committee on Economic Foreign Policy with the request that this Committee and its subsidiary units expedite their

<sup>1</sup> Chairman of the American delegation.

<sup>2</sup> BULLETIN of Sept. 10, 1944, p. 254.

work so as to be ready on short notice with definitive policy proposals. In the near future, and consistent with the pressing demands of the war upon your time, I want to present to you in more detail plans for discussions with other United Nations in respect to the whole subject of commercial policy.

Faithfully yours,

CORDELL HULL

## Liberation of Luxembourg

### Statement by THE PRESIDENT

[Released to the press by the White House September 11]

To no people who have borne the Nazi yoke can liberation mean more than those of the Grand Duchy of Luxembourg. Ruthlessly attacked and occupied by the German military in May 1940, their country was not only incorporated into the Third Reich and German citizenship thrust upon them, but their sons were forced to serve in the ranks and wear the hated uniform of their oppressors. With unparalleled sacrifice and fortitude the heroic Luxembourgers have resisted every Nazi effort to break their spirit. On the occasion of their release from tyranny and their return to the free institutions which they hold so dear, the American people salute the brave people of Luxembourg.

### Statement by THE SECRETARY OF STATE

[Released to the press September 11]

Although their country is one of the smallest of those overrun and crushed by the hated Nazis, the people of the Grand Duchy of Luxembourg have shared the same fierce spirit of resistance which has greeted the German tyrant wherever he has gone and which has from the outset shown the futility of his dreams of conquest. We rejoice with the people of Luxembourg that the day of their liberation is at hand.

## Visit of Chilean Writer

Miss Lenka Franulic, Chilean journalist and translator, arrived in Washington on September 11 as a guest of the Department of State. Next month she will join the six weeks' tour of women

journalists from the other American republics sponsored by the Women's National Press Club and the Office of the Coordinator of Inter-American Affairs. She will fill several lecture engagements, including New York, Boston, Philadelphia, Chicago, and San Francisco.

Miss Franulic is interested in meeting in the United States writers whose works she has translated into Spanish and has made available to a large reading public in her own country. Miss Franulic will write a series of articles on her interviews with eminent authors of the United States. She plans later to gather her impressions of the trip into book form.

*One Hundred Contemporary Authors and Anthology of the American Short Story* are two of Miss Franulic's recent translations. She has translated several plays, among them John Steinbeck's *The Moon Is Down*, which was presented at a benefit showing for the Free French Committee at the Municipal Theater in Santiago. Miss Franulic was not only the translator of this play but also one of the cast. She translated Archibald MacLeish's *The Fall of the City* for radio production in Chile.

## The Jewish New Year

### Message of THE PRESIDENT

Upon this celebration of the New Year, I extend to my fellow citizens of the Jewish faith most cordial greetings, mindful of the tragedy in which so many of their faith still live and die abroad, and determined withal to persevere until justice, tolerance, and peace are reestablished throughout the world.

### Statement by THE SECRETARY OF STATE

[Released to the press September 12]

On this occasion of the celebration of the Jewish New Year, as I send cordial greetings to all our citizens of Jewish faith, I should like also to express my sincere hope that the coming months will bring to an end the present devastating world conflict, and with it the solution to the tragic problems that endure for others of your faith on the continent of Europe.



# Economic Controls in the Post-War World

Address by CHARLES P. TAFT<sup>1</sup>

[Released to the press September 12]

My responsibility in the Department of State is with the wartime and transitional problems of our foreign economic relations other than finance. We guide the policy involved in foreign purchase of strategic materials; in the supply of our own scarce items to the foreign countries whose basic economy we are interested in maintaining; in war trade agreements with the European neutrals and in the blockade problems which now, we can rejoice, are diminishing in scope and importance; in the blacklist of Axis business companies and individuals, especially the spearhead firms who were their messengers of war and birds of prey in third countries; and finally in the supply and other economic planning for the liberated areas, west and east.

Nearly all these problems were based on the war economy of scarcity. Already by this summer extreme shortages were disappearing except for a limited number of tight materials and products. Of course end uses in the United States were limited, and, if these restrictions were lifted by the War Production Board, there would not be enough to meet all demands for all products. But this change from relative scarcity to relative sufficiency meant that more and more the problems of our procurement and export programs became trade problems. Our exporters and importers, who loyally accepted wartime trade controls needed for the prosecution of the war, now began to charge that these controls were being retained to promote trade interests, not always our own. I would add the footnote that foreign interests were equally convinced and vociferous that the pressure from us to relax restrictions was an effort to give American traders the jump over their own on post-war business. So also economic planning for the restoration of the liberated areas has obvious implications for business and commerce the moment supplies of essentials begin to look easy.

<sup>1</sup> Delivered before a joint meeting of the Rotary Club and the Chamber of Commerce, Akron, Ohio, Sept. 12, 1944. Mr. Taft is Director of the Office of Wartime Economic Affairs, Department of State.

Is all this argument with foreign interests, including the British, and among ourselves, worthwhile? Is post-war foreign trade worth getting excited about? I don't think I need to argue that one with a representative group of northeastern Ohio businessmen. On X-Day, civilian supply for the United States will be the world's greatest market, dammed up now for three years at least, but foreign outlets are an important, if not an essential, extra. When Germany is defeated many contracts will be terminated and reconversion to civilian supply will begin. On V-Day, when Japan goes under, many more contracts will evaporate. Export will have to fill part of that gap. Some items like automotive products, especially from certain areas specializing in export, machine tools, and specialized machinery—all these depend in great part on foreign buying in ordinary times. Post-war surpluses of these and many other products have to seek foreign markets.

Narrow nationalism with the affection for self-sufficiency is gone. It was always a Nazi weapon of economic warfare. We can never be satisfied with anything but the kind of full production we have seen in these two last years—turning out the things the world needs. We have the mechanical genius and friendly enterprise of the youngest great Nation of the world, and we want to send abroad the overflow of technical competence and social progress from this home of modern democracy. We don't need to worry about taking away our own market for finished goods. Narrow-minded Englishmen of the eighteenth century, who thought backward countries should be kept agricultural, lost England's greatest colony, but these same United States proved in less than 100 years—from 1776—that the very industrialization those Englishmen opposed made us Britain's best customer and did it in no lengthy period. An increasing reason in the next 50 years why we should trade abroad is the strategic materials we don't have and will have to buy abroad. That helps to pay for what we ship out to the ends of the earth. But it isn't enough, or anything like enough, to

enable foreign buyers to finance the contribution to raising world standards of living. We shall have to buy other people's goods if we want to sell to them, and it does not hurt us to do so. It is in fact the essential element for world stability in the economic field. Without that stability all our plans for world organization and peace will probably fail.

But all this is wishful thinking, say the ones who call themselves realists; at least, say they, it won't happen in the liberal free-world tradition. Every great trading nation is going to provide a government-directed foreign-trade program with the tightest kind of trade and exchange controls, from China in the Far East through Russia to the liberated areas; and England itself, the great originator of free trade, will join the group. They have to, and therefore *we* have to, so we are told; our traders need a great powerful government foreign-trade organization to protect them and lead them by power and threats past these foreign discriminations and exclusions. In effect, say these "realists", the war in the economic world is to continue an economic warfare that is not distinguishable from what we have ourselves conducted against our enemies for nearly three years of actual war.

For all the plausibility of the argument, we reject it instinctively and for very good intellectual and political reasons also. Let us examine the facts.

What are these controls that we are asked to continue? They are controls which grow from shortages and fear of shortages—shortages of goods and materials, shortages of ships, shortages of foreign exchange. Sometimes it is hard to know which is more effective, the fear or the shortages; for controls of some articles and materials continue long after everybody knows there is no shortage but, on the contrary, a whale of a surplus. In the case of exchange, that is, of foreign currencies, where psychology is such an important part of relative values, fear can of course be devastating, so that you must not think I am depreciating its importance.

These controls begin with control of what each nation has itself. In the United States the controlled-materials plan allocates the non-food raw materials to the uses which are important for war,

and the semi-finished goods and the manufactured articles are assigned to the uses required in the war. The War Production Board Requirements Committee makes these allocations on the recommendations of the divisional requirements committees, 30 or more of them. The Food Requirements and Allocations Committee of the War Food Administration does it for food and agricultural products, with joint committees with the WPB for things like fertilizer or agricultural machinery. Britain has similar allocating bodies.

But supply, like this war, is global, and so are shortages. So Britain and the U. S. come together in what are known as Combined Boards, with Canada added to some of them. The Munitions Assignment Boards in London and Washington assign arms, ammunition, and implements of war, which have a long definition, including military-type trucks (and jeeps), and all airplanes. The Combined Shipping Adjustment Board assigns shipping, and the Combined Raw Materials Board and the Combined Food Board are what their names imply. These two Boards recommend what nations shall get what supplies and from what source the supplies shall come. Where prices could be run up by indiscriminate buying, they designate the buyer. The Combined Production and Resources Board seeks to equalize the burden of war production between the Allied nations and studies and handles shortages of a few key manufactured items. Of course it is always short supply items other than arms, etc., or items involving shipping problems that the Boards control, but the controls are generally respected and market areas and quotas are being definitely assigned to one nation or the other. The national allocating agencies, whose personnel make up the Boards, almost always accept the recommendations.

When an item is extremely short, like rubber, we have put on special development programs in foreign countries at great expense. We have made government contracts with other governments for the entire exportable surplus of a scarce commodity, like cinchona bark (quinine), or pyrethrum (bug powder), or casein, or peanuts, or linseed-oil.

Because the U. S. and U. K. have been fighting for their lives, they have said to other countries, You get from what we control only what you have to have; to implement that we assign shipping pri-



urities and we require export licenses. To prevent shipments of non-essentials or to control essentials, we put on import controls. England's import controls are total; ours are partial. The French and others are equally tight. Some of these others, the French in particular, permit no private trade at all. In North Africa or in this country the French buy and sell everything, whether in long or short supply, from or to our traders, for their own.

It should be noted that lend-lease is of necessity a government-to-government process. What is equally important, reverse lend-lease is the same, a type of public purchase. When we get raw materials on reverse lend-lease, we prevent the creation for the other supplying nation of dollar exchange with which it could buy our goods. That is no reason for not getting reverse lend-lease where we can, but it is one definite draw-back to it. Proposals for its continuance post-war are exceedingly dangerous to an economically stable world.

The next major control is control of exchange. The British bank all the dollar exchange of the Empire and of certain other countries and use it for the purposes most needed for the prosecution of the war. So now we can't sell hand-tools in India or Australia or consumer goods in the Middle East unless the British Treasury allots the dollars. If the U. S. and U. K. have worked out a combined program of exports to those areas, the dollars are provided automatically for the goods coming from the United States. But it is very difficult to get those programs increased to any substantial degree that requires additional dollars.

On the other hand, to the countries from which Britain does not get lend-lease, she pays for supplies she buys with pounds that can be spent only in Britain—blocked sterling it is called. And the total of blocked sterling is huge and growing, way, way beyond the British dollar balances or the whole dollar pool. At the end of the war Britain will have to find ways to fund those sterling debts and ultimately must pay with exports.

Along with these controls are the economic warfare financial controls. All the funds in the U. S. of the occupied countries, and of most of the neutrals, are frozen and are released only on special or general license of our Treasury.

How can we ever get rid of these controls? Or should we get rid of them? That is the question the "realists" raise about post-war trade.

The controls exist in part because of economic warfare—that is, to keep scarce materials away from our enemies as well as from uses that are not essential. The blockade is more and more successful, obviously, so that use by the enemy is no longer anything to worry about; we have more and more of his European sources of supply. But we will have a very difficult similar problem with the neutrals in this respect. They have not helped us by joining our war effort; and, while they have given us a little, they have also supplied our enemies in varying degrees. They have not been devastated like the occupied United Nations; they have dollars and pounds. Shall we let them move into post-war markets and push out France and Belgium and Holland and Norway, who are forced to rebuild first before they can trade? That problem is not easy to solve, but it too is separable from the main question of post-war trade abroad and the question of a liberal trade policy versus the economic warfare theory.

Essentially this argument continues because of differences in estimates of shortages and variations in confidence that ways can be found and will be found to eliminate or neutralize shortages.

Is there going to be enough food to give Europe a decent diet when X-Day comes? Increasingly informed opinion says that we shall have substantial food surpluses in a relatively short time after X-Day.

Will industry convert fast enough after X-Day to provide the short- and long-time demands from the devastated countries and the increasing requests from China and Latin America for industrialization? And if WPB controls are taken off, won't our own pent-up demand absorb all that can be produced? That is exactly the question upon which the WPB has just expressed its opinion a week ago in announcing that most of its controls will stop after X-Day. All available information supports their judgment that there will be sufficient surplus to satisfy our important export demands.

But if controls are off, it is difficult to put them back. That is where the question of confidence in our capacity to meet the future becomes important. Certainly there is the possibility, in fact the certainty, that when controls come off some items may get a little attempted manipulation until the price stabilizes on a basis of confidence in supply. In the case of items that have been on public pur-



chase for some time, the supply has come through channels of government buyers and shippers; it may well take time before private channels are reestablished. That is exactly the trouble with public purchase. But the way to get away from it is to take the chance and start. Waiting does not help any. Enterprisers had better be risk takers.

Is shipping going to be short after X-Day? That is another matter on which there are varying opinions. It is unquestionably true that target tonnages to Latin America have been substantially exceeded during the last six months, and the inflationary tendencies among a number of our good neighbors to the south have been substantially checked by good supplies of many important items. One without responsibility or inside information in that field may be permitted to guess that shipping will not be too tight after X-Day.

Into this situation comes the WPB order taking off many controls after X-Day. Shall the requirement of specific export licenses continue on the present scale? It would seem difficult to justify it for supply reasons, though the authority still continues under the War Powers Act, of course. Import restrictions, issued by WPB, will be rare, obviously. So import and export controls perforce are to be relaxed.

That leaves us with financial controls and the exchange problem. The financial controls for the liberated areas will no doubt disappear when recognized governments appear, since the freeze was to protect them from the Germans. Exchange problems remain, and there will be a shortage of dollars in the Eastern Hemisphere. Latin America has large supplies of dollars and the neutrals have much exchange also, but not Britain or many of the areas we want to help in Europe and the Far East.

So we are back with the "realist". Should we keep our controls on exports and imports and our public-purchase techniques because the governments of these areas have to use some or all of these controls to protect their financial and exchange position?

The "realist" argues that our controls are a trading point to get them to take off their controls. The argument is unsound, for the continued existence of the controls in the United States gives moral support to those in the other countries who are only too close to winning out anyway in their efforts to establish a state trading system. The

relaxation of our controls makes it easier for them to get our exchange and helps their situation. It gives us a better chance to persuade them to take off controls. Moreover, provisions in the peacetime trade agreements we have with many of the countries concerned are an important safeguard against the misuse of trade controls, once their wartime necessity has ceased.

The United States must also take the leadership in attempting to secure adherence to a liberal and non-discriminating foreign-trade policy, including the relaxation of trade barriers throughout the world, and particularly by countries like England, France, and the others struggling to rebuild themselves and get on a normal export basis with a sufficient balance of payments to stabilize their exchanges. That problem is out of my direct field of responsibility, but everywhere my associates and I turn we run into it. I can perhaps contribute a few remarks concerning the fundamental element in its solution, the attitude with which we as a nation approach the financial and reconstruction problems of England and the other United Nations, Russia, China, and France above all.

The fact is that if we want stable economy around the world, we have to concern ourselves with the financial position of these major trading countries, beginning with England. It is essential for our national interest to have a strong England, soundly reconstructed, and exporting enough goods to pay for the goods she must import, including what she buys from us. England was and must continue our best customer. There is a natural outburst of sympathy for the millions disrupted by aerial bombing and the millions made homeless by the horrible 10 weeks of buzz-bombs. I share that sympathy, but I am asserting a primary selfish United States interest in a strong healthy Britain. We must find ways to help them solve their financial problems.

The same direct interest applies only in lesser degree for the others. The question in each case is how we can send our goods that they need so desperately. They are not going to starve. We were unlucky in entering Europe by southern Italy first, a deficit area, for, except for coal, Europe as a whole can be largely self-supporting quickly in the items essential to life. The latest news from France supports this view to a surprising degree. The goods we want to send most

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## International Conference on Civil Aviation

[Released to the press September 12]

More than 50 countries have been invited by this Government to an international conference on civil aviation to take place in this country beginning November 1. Exploratory conversations with several countries which have been held in recent months have indicated the desirability of holding such a conference as soon as practicable. The course of military events has already freed great areas of the world from military interruptions which forced the cessation of civil air traffic. When Germany is defeated, military interruptions will have virtually ended in all areas save those presently held by the Japanese. The approach of German defeat underlines the need for prompt arrangements by which peaceful traffic through the air may be promptly resumed.

The invitation extended by the Department of State suggests that the forthcoming conference make arrangements for immediate establishment of provisional world air routes and services which would operate during a transitional period. The proposal is also made that an interim council with subordinate committees be set up by the conference.

Through this council the data of practical experience obtained during the transition period could be collected, recorded, and studied, and further recommendations for improving international air-transport arrangements could be made in the light of that experience. Such a council operating through working committees could likewise recommend future action to be taken with respect to technical standardization and uniform procedures.

The conference would likewise discuss the principles and methods to be followed looking toward the adoption of a new over-all aviation convention.

The invitation, as sent to the governments and authorities listed below, follows:

"The Government of the United States has concluded bilateral exploratory conversations with a number of other governments which have displayed a special interest on the subject of post-war civil aviation, with particular emphasis on the development of international air transport.

"These discussions have indicated a substantial measure of agreement on such topics as the right of transit and non-traffic stops, the non-exclusivity of international operating rights, the application of cabotage to air traffic, the control of rates and competitive practices, the gradual curtailment of subsidies, the need for uniform operating and safety standards and the standardization or coordination of air navigation aids and communications facilities, the use of airports and facilities on a non-discriminatory basis, and the operation of airports and facilities in certain areas. It was also generally conceded that international collaboration, probably by means of an international aeronautical body, would be desirable in achieving and implementing the aforementioned objectives, although there was some diversity of opinion as to the extent of regulatory powers on economic matters which should be delegated to this international body.

"The approaching defeat of Germany, and the consequent liberation of great parts of Europe and Africa from military interruption of traffic, sets up the urgent need for establishing an international civil air service pattern on a provisional basis at least, so that all important trade and population areas of the world may obtain the benefits of air transportation as soon as possible, and so that the restorative processes of prompt communication may be available to assist in returning great areas to processes of peace.

"The Government of the United States believes that an international civil aviation conference might profitably be convened within the near future for the purpose of agreeing on an increase in existing services and on the early establishment of international air routes and services for operation in and to areas now freed from danger of military interruption, such arrangements to continue during a transitional period. This conference might also agree so far as possible upon the principles of a permanent international structure of civil aviation and air transport, and might set up appropriate interim committees to prepare definitive proposals. Definitive action on such proposals, based on practical experience gained during the interim period, might be taken either as



a result of a later conference, or by direct approval of the governments without the necessity of conference.

"This Government suggests that the international conference proposed for the immediate future could have the following objectives:

"I. (a) The establishment of provisional world route arrangements by general agreement to be reached at the Conference. These arrangements would form the basis for the prompt establishment of international air transport services by the appropriate countries.

"(b) The countries participating in the conference would also be asked to agree to grant the landing and transit rights necessary for establishing the provisional route arrangements and air services referred to above.

"(It would be highly desirable if each delegation were sufficiently familiar with its country's plans for international air services to permit formulation of an international air transport pattern referred to in paragraphs (a) and (b) above.)

"II. The establishment of an Interim Council to act as the clearing house and advisory agency during the transitional period. It would receive and consider recommendations from each of the working committees referred to in item III; it would report upon desirable revisions in routes and services during the interim period, subject to the approval of the countries served by these routes and services; it would maintain liaison with each of the participating countries; it would supervise studies and submit information to the interested governments concerning the development of air transport during the transitional period; and would make recommendations to be considered at any subsequent international conference.

"III. Agreement upon the principles to be followed in setting up a permanent international aeronautical body, and a multilateral aviation convention dealing with the fields of air transport, air navigation and aviation technical subjects; and, for the purpose of developing the details and making proposals for carrying into effect the principles so agreed, the establishment of the following working committees, which would be under the supervision of the Interim Council:

"(a) A committee to follow developments relating to the establishment of the routes and services to be established under item I, to correlate

traffic data, to study related problems and to recommend desirable revisions in routes and services. This committee would also make studies and recommendations concerning the future pattern of these routes and services.

"(b) A central technical committee, with subordinate sub-committees, which would work closely with the committee described in subparagraph (c) below, to consider the whole field of technical matters including standards, procedures, and minimum requirements, and to make recommendations for their application and adoption at the earliest practicable time.

"(c) A committee to draft a proposal with respect to the constitution of a permanent international aeronautical body and a new multilateral aviation convention.

"Having in mind the foregoing considerations as a basis for discussion, the Government of the

(Continued on page 305)

# GOVERNMENTS AND AUTHORITIES TO WHOM INVITATIONS HAVE BEEN EXTENDED

Afghanistan	Ireland
Australia	Lebanon
Belgium	Liberia
Bolivia	Luxembourg
Brazil	Mexico
Canada	Netherlands
Chile	New Zealand
China	Nicaragua
Colombia	Norway
Costa Rica	Panama
Cuba	Paraguay
Czechoslovakia	Peru
Dominican Republic	Philippines
Ecuador	Poland
Egypt	Portugal
El Salvador	Saudi Arabia
Ethiopia	Spain
French Delegation	Sweden
Great Britain	Switzerland
Greece	Syria
Guatemala	Turkey
Haiti	Union of South Africa
Honduras	Union of Soviet Socialist Republics
Iceland	Uruguay
India	Venezuela
Iran	Yugoslavia
Iraq	

The Danish Minister in Washington  
The Thai Minister in Washington



# The Relief of Occupied Greece

By

FOY D. KOHLER<sup>1</sup>

The Greek-relief program, which has been a unique operation during this war, involved the only large-scale breach of the economic blockade of occupied Europe. Through that breach have poured almost 450,000 tons of foodstuffs, medicines, and related supplies to save a heroic people from extinction by starvation and disease. The operation has required the close cooperation of several Allied and neutral nations and has necessitated agreement between the belligerent powers on both sides.

People might well ask, as many have: "Why Greece?" "Hasn't the program benefited the enemy; if not, why not?" "How did it start?" "How does it work?" The following account may provide answers to these questions.

Greece is about the size of the State of New York, comprising a mountainous, deeply serrated mainland, surrounded by some 50 habitable islands and countless islets which dot the surrounding Ionian and Aegean Seas. Of the total land area of 50,000 square miles, only one fifth, or 10,000 square miles, can be cultivated. Some cereals and potatoes are produced in the plains of Macedonia and Thrace, but in the narrow valleys and on the mountainous slopes of the mainland and the islands the principal products are tobacco, olives, grapes and citrus fruits, and a little cotton. These are mainly luxury products, of which a large part is normally exported to help pay for the 600,000-odd tons of wheat, fats, and animal products which must be brought from abroad each year to feed the Greek people. The rest of the bill for these food imports is met largely from the earnings of the Greek Merchant Marine and remittances from Greek emigrants in foreign lands.

In June 1941 Greece finally fell to the enemy, after seven months of inspired and inspiring resistance which shattered the myth of Axis invincibility, forced Hitler to send the Wehrmacht to

the rescue of his battered Fascist vassal, and delayed, perhaps decisively, the timetable of the Nazi attack on Soviet Russia.

Greece promptly began to pay the price of her resistance in terms of starvation. The domestic harvest was a third below normal that year as a result of the mobilization of manpower and the requisition of tractors and farm animals for the struggle in Albania. The granary of eastern Macedonia and Thrace was in the hands of the Bulgarians, sealed off from the rest of Greece. The Greek Merchant Marine and Navy had gone away with the Government to pursue the war from abroad. Internal food reserves, already unwontedly low because of shipping priorities given war goods, were soon exhausted. Replacement was impossible, for Greece was cut off from her Allies and her normal sources of supply. Within a few months the daily bread ration was cut successively from 12 ounces to 9, to 6, and finally to 3½ ounces, in a country where bread, in truth the staff of life, was consumed normally by laborers in quantities up to 3 pounds per day.

American Foreign Service officers, who were obliged to leave Greece in the middle of July 1941, had seen workers faint from hunger in the streets of Athens. The officers had received desperate appeals for American intervention and aid from representatives of all Greek factions and classes. Those appeals were forwarded to the Department of State with factual reports on conditions and with comments and recommendations. The Department was receiving appeals also from other sources on behalf of Greece. The Greek Government-in-exile was actively seeking a method of providing for its suffering people. Greek diplomats were exploring all possible avenues. In the United States a Nation-wide Greek War Relief Association to centralize the collection of funds for the embattled Greek population had been formed promptly after the Fascist attack. Before Greece fell, it had sent several million dollars into that country as a tangible expression of American sympathy. After the Axis occupation, the Association continued to keep the Greek cause actively

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before the public and before the governmental authorities, ably seconded by established philhellenic organizations such as the Near East Foundation, the American Friends of Greece, and by anxious Greek-American societies.

Appeals for Greek relief were accumulating in London, and the Greek situation was a subject of frequent discussion between the American and British authorities. The British, fighting with their backs to the wall, were understandably reluctant to permit a breach in the blockade and thus jeopardize one of their major weapons. The United States, still neutral, embarked on a policy of aid to those people resisting aggression, but it was equally reluctant to urge the adoption of a policy which might eventually result in providing important economic aid to the Axis.<sup>1</sup> The Germans, depending upon well-intentioned humanitarians in various neutral countries and even in the United Kingdom itself, were endeavoring to blackmail Britain into relaxing the blockade by laying the distress of their victims to "British desertion of their Allies" and by proclaiming their own readiness to permit the feeding of the occupied countries from the outside world.

Accumulating evidence soon indicated that distress in Greece was mounting disastrously and that the Germans were particularly callous in their disrespect of their obligations toward that conquered country. In August 1941, following agreement between the British, Greek, and American Governments, the approval of the Turkish Government was obtained for the purchase of food in Turkey and for its shipment in a chartered Turkish vessel to Greece. Turkey was regarded as constituting a part of the continental area. The transaction, therefore, did not involve an increase in the total foodstuffs inside the blockade. The United Kingdom Commercial Corporation made the purchases and shipping arrangements for the account of the Greek Government and the Greek War Relief Association, whose active participation this Government officially authorized. The International Red Cross Committee, which had stationed a delegate in Greece following the outbreak of hostilities with Italy, agreed to receive and to supervise the distribution of the Turkish supplies. For that purpose it organized in occupied Athens an administrative committee including members of the IRCC, the Greek Red Cross, and other Greek organizations. It operated under a supervisory committee

composed of the principal IRCC delegates and representatives of the Greek, German, and Italian Red Cross Societies. The United States Government sent an observer from its Embassy at Rome, a diplomat formerly stationed at Athens, who was able to follow the operation at first hand until interned, and finally exchanged after the entry of the United States into the war. Shipments from Turkey began in October 1941 and terminated in August 1942. Eleven round trips were made and 20,000 tons of Turkish foodstuffs transported to Greece. Unfortunately Turkey's own stocks of foodstuffs were low. Some dried vegetables were secured, together with other miscellaneous items, but the primary necessity, wheat, was unavailable. The program was thus pitifully inadequate. Many supplementary methods, short of an outright breach of the blockade, were explored. Most of them proved impracticable, including the proposed evacuation of Greek children and nursing mothers, but some of the plans were adopted. During the fall and winter of 1941 the United States Treasury authorized the Greek Government, the American Red Cross, and the Greek War Relief Association to make several remittances from the United States to Switzerland for the purchase of medicines and milk for Greece. On January 27, 1942 the British and American Governments announced that in view of the conditions in Greece they had agreed exceptionally to authorize the shipment to that country of 8,000 tons of wheat from the Near East.<sup>2</sup> In February the British agreed, on the recommendation of this Government, to a further proposal of the Greek War Relief Association to charter the Swedish ship *Sicilia* for the transport direct to Greece from the United States of 2,300 tons of lend-lease flour and a consignment of American Red Cross medical supplies.<sup>3</sup> In March that shipment and the first cargo of wheat from the Near East were sent to Greece. Those constituted the first actual shipments into the blockaded area. Swedish vessels, chartered by the Greek Government, and also used for the eastern Mediterranean transports, made several trips to Greece during the spring and summer of 1942 until the entire approved quantity had been delivered. During that first year of emergency relief measures the organization of the IRCC received and distributed

<sup>1</sup> BULLETIN of Sept. 27, 1941, p. 232.

<sup>2</sup> BULLETIN of Jan. 31, 1942, p. 93.

<sup>3</sup> BULLETIN of Mar. 7, 1942, p. 208.



in Greece a total of over 40,000 tons of food supplies.

The winter of 1941-42 was a period of unparalleled misery in Greece with practically no transport, no fuel, and no food. Reports of suffering from insanitation and death from starvation reaching this Government from the IRCC and its own observers in Greece were appalling beyond belief. Aside from the feeble attempts of a few Italian officials to ameliorate conditions, it was increasingly clear that the Axis was indifferent to the fate of its victims, and that a major breach of the blockade was required if the Greek Nation was to be saved from extinction. The decision to permit regular shipments to Greece was reached in February 1942, culminating the extended discussions of the Greek situation which the United States, British, and Greek Governments had carried on among themselves and with interested groups in all parts of the world. The reasons impelling that decision are suggested above. They may be summarized as follows:

1. By their gallant resistance to the Fascist and Nazi aggression, unfaltering even against hopeless odds, the Greeks had made a major contribution to the war, not only in a direct military sense but also in restoring the morale of the freedom-loving peoples at a particularly dark moment. Tremendous sympathy was felt for all Allied countries, large or small, which had been temporarily overwhelmed by Axis might. Their situation was a source of constant concern. Greece's agricultural poverty presented a problem requiring special consideration.

2. In all conscience, the Allies could not allow an associate to pay the price of national extinction for the preservation of national honor, if there were any feasible means to prevent it. Moreover, from the point of view of their own war interests, the Allied powers had to realize that the fate of Greece might well influence the decision of any remaining neutrals faced with Axis aggression.

3. The Greeks were notably unsubmitive to the occupation. They were harboring hundreds of British soldiers and were continuing their resistance in many other ways. Aid from their allies would sustain them spiritually as well as physically.

4. Despite their obligations under international law and practice, the Germans were obviously prepared to allow the Greek Nation to die of star-

vation, for the reason, apparently conclusive to them, that Greece had no industrial resources of value to the German war machine.

5. There was reason to believe, nevertheless, that the Germans were merely indifferent to the fate of Greece, rather than intent upon destroying the Greek race, and that the Germans in Greece were not wholly unaffected by contact with the horrible misery which met their eyes. In addition, they would be under some impulsion to live up to their public declarations in the hope of forcing other blockade concessions of value to them.

6. Greece's geographic location would facilitate the operation of a relief scheme. Lying on the extreme fringe of German-occupied Europe, Greece was tied to the continent only by precarious shipping lanes and a single-track railroad, for which she provided no fuel, and which was already overburdened with war traffic. There was thus little likelihood that the Germans would be tempted to remove foodstuffs from Greece, either native or imported, in any large quantity, when they could secure supplies from nearby sources at less expense to their transport system. On the other hand, Greek ports were readily accessible by sea, and supplies could be delivered directly into the hands of the relief authorities.

7. The experience with the previous small-scale relief shipments had been satisfactory.

8. While the Allied peoples generally supported their governments' policy of holding the Germans directly responsible for the feeding of the populations of the occupied territories, public opinion strongly favored action to bring an end to the appalling situation in Greece, which had been widely publicized.

The plan for large-scale relief, drawn up by British blockade experts and agreed to by the British and United States Governments, contemplated the chartering of Swedish shipping sufficient to carry to Greece, initially, a quantity of 15,000 tons of wheat a month which the Canadian Government had generously offered to donate for the purpose. The vessels would be chartered in the name of the Swedish Red Cross, against payment guarantee of the Greek Government.<sup>1</sup> The scheme was based on Axis acceptance of appropriate conditions governing the distribution of those imports and Greek native produce in the interests of the Greek people

<sup>1</sup> The Greek War Relief Association had offered to defray these expenses to the limit of its resources.



and on the receipt of guarantees that a neutral commission would receive the necessary control and reporting facilities from the occupation authorities. Operations were to be placed under the general auspices of the International Red Cross Committee, which had handled with remarkable effectiveness the distribution of the previous relief supplies. It was agreed, however, that the authority of a strong and independent government was essential to secure acceptance and to insure observance by the Axis of the indispensable conditions, and that an enlarged, strengthened, relief organization, based upon the responsibility of the sponsoring government, would be required to handle an operation of the magnitude envisaged.

During the first week of March 1942 the United States and British Ministers at Stockholm laid the plan before the Swedish Government, which not only agreed to make shipping tonnage available and to undertake the necessary negotiations with the Axis Governments but also offered to provide Swedish control personnel at its own expense. Negotiations required several months, during which time the above-mentioned emergency shipments were going forward, but the Axis powers finally agreed to the basic Allied conditions:

1. All belligerents were to give safe-conduct in both directions.

2. The neutral Commission to be set up in Greece was to have under its direction and control all distribution of relief supplies.

3. The imported foodstuffs were to be reserved for the Greek population and to be distributed wherever in the opinion of the Commission the need was greatest.

4. Foodstuffs originating in Greece were to be reserved solely for persons normally resident in Greece in peacetime, except in so far as any foodstuffs consumed in Greece by the armed forces or officials of the occupation powers were replaced by equivalent imports of foodstuffs from Axis sources into Greece for the Greek population; and except in so far as the Commission might approve the export of any genuine surplus of olive oil or dried or fresh fruits in exchange for foodstuffs of other kinds.

5. The Commission was to have the right and duty to verify by direct observation that the conditions were fulfilled, and they were to have sufficient staff and enjoy such freedom of movement as would be necessary for inquiry and inspection.

Meanwhile, arrangements were being made between Swedish authorities and the IRCC regarding the organization of the distribution machinery in Greece. Responsibility for relations with the occupying authorities was to be assumed by the Swedish Chargé d'Affaires, who would also provide reporting facilities through the Swedish Foreign Office. A joint Swedish-Swiss Commission was set up, under Swedish presidency, consisting originally of 15 but subsequently expanded to its present 30 official members, including representatives of the Medical Mission of the Swiss Red Cross, which was assigned general responsibility for the distribution of milk and medicines. The first three Swedish vessels, of the eight originally made available, left for Greece on August 7, 1942, carrying cargoes of Canadian wheat and medical supplies furnished by the American Red Cross. The Relief Commission began its humanitarian labors on September 1. Despite the overwhelming difficulties of operation in occupied territory, the Commission had soon created the effective distributing machinery which has gradually expanded throughout the country to include:

A central organization at Athens with 25 neutral officers and 1,200 local employees, assisted by some 3,000 volunteer workers (in children's canteens and soup kitchens);

Branch offices at Salonika, Tripolis, Volos, and on Crete, with 5 to 10 neutral officers and 350 local employees;

Voluntary central committees in 50 provincial capitals on the mainland and in the islands and 3,000 local committees throughout the provinces, having over 9,000 members;

The Medical Mission of 5 Swiss doctors and several nurses, assisted by 42 Greek doctors and 1,000 Greek women volunteers, handling medical aid and the distribution of medical supplies.

The Commission took over direct control of flour mills for the grinding of the relief wheat, using the bran and millings to trade for milk and eggs for children and hospitals. After securing the passage of a law permitting closure of any establishment guilty of abuses, the Commission arranged for distribution of food rations through registered local bakers and grocers. In accordance with the results of a plebiscite of the Athens population, soup kitchens were kept open only for the small number completely indigent or homeless who were unable to prepare their own food.

While those kitchens had necessarily been the chief reliance of the IRCC during the previous miserable winter, serving three fourths of the people of the capital area, the walking and waiting in line in winter weather had a deleterious effect on health, and the system had threatened a breakdown of family life.

Since the greatest distress was naturally centered in urban areas, the Commission's labors have, therefore, been concentrated primarily in the Athens-Piraeus metropolitan district, containing 1,200,000 people or over one-seventh of the entire Greek population, and in secondary urban centers such as Salonika, Patras, Volos, Tripolis, Kalamata, Heraclion, Canea, Mytilini, and Chios. However, despite overwhelming transport difficulties and military restrictions, the Commission has endeavored with ever-increasing success to extend the scheme effectively to rural areas on the mainland and to the islands. Considerable railway and shipping facilities were secured from the occupation authorities, and the Commission obtained control of some 100 motor trucks, well worn but still usable. These facilities have been supplemented by shipments of motor vehicles, spare parts, and accessories, together with gasoline and oil from North America, and by the chartering of small Swedish vessels to ply among the islands.

After September 1, 1942 the Swedish Chargé was successful in securing a stoppage of Axis food exports from Greece, and in effecting arrangements for the implementation of item 4 of the original Allied conditions. Under his plan the occupation authorities reported to the Commission the consumption of their troops in Greece, giving the Commission facilities to verify and control the figures presented. That consumption was evaluated in terms of calories, and Axis foodstuffs of equal caloric content (mainly sugar, dried vegetables, and potatoes) were imported through Venice in a Swedish vessel chartered for the Germans by a Greek firm with Allied authorization. The latest report on this "compensation" scheme showed that the Axis had a favorable balance, and, despite the difficulties connected with verification of Axis consumption and the evaluation of caloric content of foods, it may be considered to have operated satisfactorily. However, the operation has recently come to an end, as a result of the disintegration of the German position in Italy and Europe generally, and the Swedish vessel has returned to Swedish waters.

Financing of the distribution in Greece has presented a most difficult problem. It was obviously undesirable to transfer Allied funds into occupied Greece, for funds are more fluid than commodities and more difficult to control. Even had such transfer been desirable, it was quite impossible in practice, for the nominal pre-war rate of 150 drachmas a dollar was maintained for banking purposes, while the free-market purchasing power of the dollar rose quickly to 300, to 600, to 6,000, to 60,000, to 120,000 drachmas. The rate has recently soared to the dizzy figure of 400,000,000 drachmas! It would thus have cost more to pay the expenses from Greek port to Greek consumer by transfer of foreign exchange than from the supply source in North America to the Greek port. The Commission was accordingly authorized to collect charges on food distributed that would be sufficient to cover its own handling expenses in Greece, subject to the provision that no person should be denied relief for lack of means of payment.

In November 1942, 3,000 tons of dried vegetables and 300 tons of canned milk were added to the monthly allotment of 15,000 tons of wheat. The shipments have subsequently been steadily expanded both in quantity and quality. At present, monthly allocations of foodstuffs total about 35,000 tons per month and include, in addition to wheat, dried vegetables, fish, milk, soup concentrates, and miscellaneous products, supplied by the United States under lend-lease to the Greek Government. Medicines have also gone forward in increasing quantities, together with a steady flow of supplies, equipment, and motor transport and fuel for the Commission's own use. The relief fleet of Swedish vessels has grown correspondingly. Sixteen are now in service and two more are authorized, despite the fact that four have unhappily been lost in the performance of their humanitarian task—one shipwrecked, two mined, and one bombed. The United States Government has paid the charter-hire on these vessels since January 1943, except for crew insurance and miscellaneous expenses, which are still met by the Greek War Relief Association,<sup>1</sup> the available reserves of the Greek Government having been exhausted and it having become apparent that the

<sup>1</sup> For operational details see BULLETIN of Apr. 24, 1943, p. 347, and press releases of the Foreign Economic Administration, in cooperation with the Department of State, dated Mar. 17 and Sept. 1, 1944.



burden was too great for a private organization to support in its entirety.

Up to March 31, 1944 relief to Greece had cost over \$40,000,000. In addition to the devoted services of their nationals—including the life of one Swedish official—the Swedes and the Swiss had contributed approximately \$1,000,000 each. The United States Government and public had made payments of more than \$20,000,000, three fourths through lend-lease to the Greek Government and one fourth through the Greek War Relief Association and the American Red Cross. The Canadian Government and private Canadian organizations had made a notable contribution exceeding \$12,000,000. The United Kingdom had advanced over \$6,000,000 for the account of the Greek Government to cover the early relief shipments from the Near East.

It will be apparent that Greek relief has been, at the least, an outstanding example of international good-will and a remarkable venture in practical international cooperation.

It will be some time before the results of the relief work in Greece can be fully and accurately evaluated because of the lack of communications, of vital statistics, and of information of all kinds under the chaotic conditions prevailing in the country. Principally because of military operational restrictions, the Commission has been unable to function in the Bulgarian-occupied northern provinces of Thrace and eastern Macedonia, and has been able to deliver only irregularly supplies to Epirus, to the central mountain districts, and to the Sporades and Cyclades Islands. With those exceptions, relief has effectively reached the rest of the non-producing population, particularly in urban areas, or approximately 3,000,000 persons.

The daily bread ration was originally set and has been maintained at 7 ounces per person, with supplementary rations of  $4\frac{2}{3}$  ounces for certain laborers, particularly in public utilities, and for invalids. Twice monthly, rations of dried vegetables, soup concentrates, fish, and other products have been distributed. The hospitals receive special treatment, and nursing mothers and children have received regular allotments of milk and special baby foods. The mounting spiral of death from starvation was definitely checked in 1943, and the birth rate has slowly been climbing back toward normal. Evaluation of the caloric composition of relief foodstuffs in the Athens area, where distribution has been most effective, has

varied from a low of 450 to a recent high of 1,040 calories a day. Most of the population has usually been able to supplement those rations with native foodstuffs varying between 30 to 200 calories per day, but the total has at best been considerably less than half of the American standard of consumption. The supply of native produce has gradually decreased, with the declining internal production which has resulted from guerilla warfare and lack of fertilizers, seeds, draft animals, and agricultural machinery. Recently, domestic supplies have entirely disappeared because of the virtual elimination of the drachma as an acceptable medium of exchange and because of the general chaos caused by savage German reprisals on the eve of their military collapse.

It may safely be said that the Greek-relief scheme has saved the Greek Nation from extinction by starvation. It has not, however, saved the Greek people from the ravages of malnutrition and its accompanying diseases, the results of which will be eradicated only after many years.

By the time this account is printed, Greece will probably be liberated or will be on the verge of liberation. That is the full relief—the spiritual as well as the physical relief—which the Greek people have so long awaited.

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#### CIVIL AVIATION—Continued from page 299

United States extends a cordial invitation to your Government to participate in an international conference along the above lines, to take place in the United States beginning November 1, 1944; and in view of the time element would appreciate receiving an early response as to whether your Government can arrange to have a delegation at such conference.

"This invitation is being extended to the following governments and authorities:

- "a) all members of the United Nations;
- "b) nations associated with the United Nations in this war;
- "c) the European and Asiatic neutral nations, in view of their close relationship to the expansion of air transport which may be expected along with the liberation of Europe.

"The Danish Minister and Thai Minister in Washington will be invited to attend in their personal capacities."



## Gifts to Chinese Institutions

[Released to the press September 12]

There are now being distributed to institutions in China a total of about 380 pounds of books, instruments, and other cultural materials which were selected in Washington by the Department of State and carried to China in the plane which arrived in Chungking this week bearing Mr. Donald M. Nelson, chairman of the War Production Board, and Maj. Gen. Patrick Hurley.

Included in the shipment were 11 packages of current technical and professional journals (such titles as *Journal of Agricultural Research*, *Biological Abstracts*, *American Economic Review*, and *Railway Age*). One package contained over 40 pounds of technical books on engineering, metallurgy, and mechanics requested by the director of the government arsenal at Chungking. Another package consisted of 50 pounds of small tools for the Chinese industrial cooperatives. A selection of important reference works on America and recently published biographies of leading American figures, such as Jefferson, Justice Holmes, and William James, were sent to Nanking University for use in its course in American civilization. A package of books on the manufacture of pulp and paper, beet sugar, and cane sugar, and on practical metallurgy were sent upon request to the provincial government of Sinkiang, Chinese Turkestan.

The bulk of the shipment went to leading university centers in Chungking, Chengtu, Kunming, and Kiating and consisted of a wide range of recently published books. These dealt with problems of public health, practical medicine, and child care, as well as modern architecture, recent American plays and poetry, and current opinion in this country in regard to the present war effort and post-war planning.

To indicate the origin of these, each book and journal sent carries on its inside cover "From the People of the United States of America." The Department has received grateful acknowledgment from Chinese schools and libraries of similar books carried to China in Vice President Wallace's plane in June.<sup>1</sup> Both shipments are tokens of America's desire to break down as far as possible the wartime isolation of the Chinese people.

<sup>1</sup> BULLETIN of June 24, 1944, p. 586.

## Anniversary of Mexican Independence

[Released to the press September 16]

The President has sent the following message to His Excellency General Manuel Avila Camacho, President of the United Mexican States, on the occasion of the anniversary of Mexican independence:

THE WHITE HOUSE,  
September 16, 1944.

I am happy once more to send to Your Excellency on this anniversary of Mexican independence the most cordial felicitations of this country and all good wishes for the continued welfare of your great nation. It is deeply gratifying that this anniversary finds your country and mine collaborating more closely than ever in support of the cause of the United Nations and of liberty for nations and people.

With particular pleasure I have noted that the friendly cooperation between our Governments has steadily extended during the past year, in measures calculated to benefit the two countries both now and in the future. Among many illustrations the steps taken in the fields of industry, fisheries and agriculture in which both our countries are vitally interested may deserve special mention.

I am confident that this close cooperation will result in additional benefits alike to Mexico and to the United States and that these benefits will extend far beyond the war years.

United in common war aims we must be reunited also in the aims of fruitful peace.

FRANKLIN D. ROOSEVELT

The following message was sent by Secretary of State Cordell Hull to His Excellency Ezequiel Padilla, Secretary of Foreign Relations of Mexico:

SEPTEMBER 16, 1944.

This anniversary of Mexican independence affords me the opportunity to send hearty congratulations and to express the deep interest of my countrymen in the continuing welfare and progress of the people of Mexico.

Let me likewise renew to Your Excellency my most cordial personal greetings, and to pay tribute to the high personal esteem in which you are held.

CORDELL HULL

## TREATY INFORMATION

### Inter-American Coffee Agreement

There is printed in the *Federal Register* of September 12, 1944, page 11208, Public Notice 1 issued September 8, 1944 stating that the Inter-American Coffee Agreement, signed at Washington on November 28, 1940,<sup>1</sup> which was continued without change for one year from September 30, 1943,<sup>2</sup> is being continued in force without change for a further period of one year from September 30, 1944. This continuation has been effected in accordance with the procedure outlined in article XXIV of the agreement.

### Protocol on Pelagic Whaling

#### *Canada*

The American Embassy in London transmitted to the Department of State, with a despatch of September 4, 1944, a copy of a note of August 30, 1944 from the British Foreign Office in which the Government of the United Kingdom informs the Government of the United States, in accordance with article 7 of the protocol relating to pelagic-whaling operations signed at London on February 7, 1944, of the deposit on August 24, 1944 in the archives of the Government of the United Kingdom of the instrument of ratification of that protocol by the Government of Canada.

### Railway Convention, Brazil and Paraguay

The American Embassy at Rio de Janeiro informed the Department of State by a despatch of August 17, 1944 of the signature on August 11, 1944 by representatives of the Governments of Brazil and Paraguay of a railway convention covering the construction and operation of a railway line from Pedro Juan Caballero, the Paraguayan border town opposite Ponta Porã in Brazil, to the Paraguayan city of Concepción. Provision is made for the extension of the Brazilian Govern-

ment-owned railway, the Estrada de Ferro Noroeste do Brasil, to Ponta Porã. Under the terms of the convention the Paraguayan Government may purchase the line constructed within Paraguay by the Estrada de Ferro Noroeste do Brasil after five years have elapsed. In the event that the Paraguayan Government decides at that time to sell or lease the road to foreigners, preference will be given to the Brazilian line. Under article 3 of the convention, the Brazilian Government agrees to furnish all of the capital for the construction and equipment of the new line.

## THE DEPARTMENT

### Responsibility of the Special War Problems Division'

*Purpose.* In order that all divisions and offices of the Department shall be familiar with the responsibility of the Special War Problems Division, Office of Controls, for liaison with the President's War Relief Control Board and the American Red Cross, attention is called to the nature of this function and the need to assist that Division in carrying out its responsibility.

1 *Responsibility of the President's War Relief Control Board.* (a) Executive Order 9205, July 25, 1942, established the President's War Relief Control Board "for the purpose of controlling in the public interest charities for foreign and domestic relief, rehabilitation, reconstruction, and welfare arising from war-created needs . . ." The Board was authorized to utilize the services of available and appropriate personnel of the Department of State, and other Government departments and agencies, and such other services, equipment, and facilities as might be made available by those departments and agencies.

(b) The Chairman of the Board, Mr. Joseph E. Davies, wrote the Secretary of State on June 26, 1944, as follows:

"It would be of assistance, therefore, if the Department of State could arrange to transmit regularly to the Board copies of reports received from abroad on war relief matters, and on matters related thereto, which would help the Board in

<sup>1</sup>Treaty Series 970 and 979.

<sup>2</sup>BULLETIN of Oct. 16, 1943, p. 267.

<sup>3</sup>Administrative Instruction (General Administration 5) dated and effective Sept. 5, 1944.

guiding the activities of private war relief agencies subject to visitorial supervision. If appropriate the Board would also be glad to see copies of extracts from general reports which might have specific reference or application to relief matters.

"Such a current relief intelligence service would aid in liaison relationships with the Department of State and other departments, and in the determination of the extent to which voluntary relief resources should complement the public resources made available through the Army, Lend-Lease, the Red Cross, UNRRA or other public authority."

*2 Liaison responsibility of the Special War Problems Division.* By Departmental Order 1218, January 15, 1944 (p. 8), the Special War Problems Division, Office of Controls, is responsible for "(d) liaison with the American Red Cross and the President's War Relief Control Board for the coordination of foreign relief operations of private agencies with the foreign policy of this Government." This responsibility continues and applies to all geographical areas, including liberated areas, and ex-enemy areas. It includes responsibility for facilitating contacts of the President's War Relief Control Board and the American Red Cross with other divisions and offices of the Department, as well as furnishing to the Board and, where appropriate, to the American Red Cross selected information and reports received by the Department. Within the Special War Problems Division the Relief Branch handles matters of this nature.

*3 Cooperation of other divisions and offices.* All divisions and offices of the Department are hereby requested to take note of the character of this liaison responsibility of the Special War Problems Division and to give assistance by forwarding to that Division pertinent materials for the information of the Board and of the American Red Cross, and by bringing matters of interest to those two agencies to the attention of the Division. The Special War Problems Division and other interested divisions, particularly the divisions of the Office of Wartime Economic Affairs and the office of the Adviser on Refugees and Displaced

Persons, shall work together in close collaboration in maintaining this liaison responsibility effectively.

JOHN ROSS  
Director, Office of

Departmental Administration.

SEPTEMBER 5, 1944.

## Appointment of Officers

Bernard F. Haley as Director of the Office of Economic Affairs, effective September 11, 1944.

Edwin A. Plitt as Chief of the Special War Problems Division to succeed James H. Keeley, Jr., effective September 14, 1944.

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### ECONOMIC CONTROLS—Continued from page 297

are reconstruction goods for transportation and for power, and raw materials for manufacturing of various important kinds. The sooner we can get these countries on an export basis, the sooner we can sell them our products. We all need to begin this process (and business and labor have an important part of this responsibility) by pounding into the consciousness of our people that exports of other countries are the only way in the long run they can pay us for our exports to them.

During the transitional period before exports, lend-lease can help in those plans that are related to the war, but with the ending of hostilities that loses its authority. Action will be needed and the people of this country must understand its necessity. These remarks have perhaps on the surface been too far removed from tires and automotive equipment and roller bearings and vacuum cleaners. That is only on the surface, for now as never before the tendencies of this planet of ours are centripetal. We shall move closer together. Unfortunately the closer they move together, the great nations and small nations, the greater the opportunity for friction. Sound foreign trade, and sound economies as its foundation in each nation, are the only lubricant that can avoid that friction and make possible the smooth-running machinery of a peaceful and happy world.



## PUBLICATIONS

### DEPARTMENT OF STATE

Foreign Service List (Abridged), July 1, 1944. Publication 2161. ii, 61 pp. Subscription, 50¢ a year (65¢ foreign); single copy, 20¢.

Diplomatic List, September 1944. Publication 2174. ii, 124 pp. Subscription, \$1.50 a year; single copy, 15¢.

### OTHER GOVERNMENT AGENCIES

Economic Problems of the Reconversion Period: Fourth Report of the House Special Committee on Post-War Economic Policy and Planning, pursuant to H. Res. 408, a resolution creating a special committee on post-war economic policy and planning. [VIII. Foreign Trade and Shipping, pp. 54-60.] H. Rept. 1855, 78th Cong., iv, 79 pp.

The article listed below will be found in the September 16 issue of the Department of Commerce publication entitled *Foreign Commerce Weekly*, copies of which may be

obtained from the Superintendent of Documents, Government Printing Office, for 10 cents each:

"Plastic Situation—Brazil," by Aldene Barrington Leslie, economic analyst, American Embassy, Rio de Janeiro.

## THE FOREIGN SERVICE

### Consular Offices

The Consulate at Rosario, Argentina, was closed on September 9, 1944.

With the departure of Selden Chapin for Paris on September 6, 1944, the office at Algiers, Algeria, reverted to the rank of consulate general.

The Consulate at Kweilin, China, was closed on September 11 instead of on June 25 as reported earlier.<sup>1</sup>

The American Mission at Paris, France, was re-established on September 8, 1944.

<sup>1</sup> BULLETIN of July 23, 1944, p. 103.